

MATCHING SHARE REQUIREMENTS

The National Park Service (NPS) administers its Historic Preservation grant programs, including the Save America's Treasures grant program, in keeping with Federal-wide grant-making requirements and with the requirements of the National Historic Preservation Act. These Federal-wide requirements are contained in grants management circulars issued by the Office of Management and Budget (OMB). For grants to State, tribal and local governments, OMB Circular A-102 (codified by the Department of the Interior in 43 CFR 12.64), stipulates matching share requirements, and OMB Circular A-87 delineates allowable costs for Federal grants. For grants to non-profit institutions, OMB Circular A-110 contains matching share requirements (see 43 CFR 12.923) that are quite similar to Circular A-102, and OMB Circular A-122 contains the cost principles for determining allowable costs for grant to non-profits.

The basic rule is that matching share contributions (of cash or of necessary non-cash donations of services, equipment use, or supplies) must be necessary to achieve the objectives of the project, and must share the cost of performing the grant-assisted work. The entire intent of the matching requirement imposed by Section 102(a)(3) of the National Historic Preservation Act, and by the Appropriation Acts, is that the grant recipient bear part of the cost of performing the work to be achieved with the grant award. The Federal grant is meant to stimulate nonfederal donations—not to pay for all the work by itself.

All costs and matching share contributions must normally be incurred during the grant period, unless an exception is approved by the Federal grantor agency to allow what are termed “pre-award costs,” or “pre-agreement costs.” The OMB Circulars, and the NPS' implementation of these circulars, hinge upon the requirement that matching share must be: 1) directly related, 2) necessary, and 3) reasonable for the proper and efficient accomplishment of project objectives. If the time span between the donation of the proposed matching share and the initiation of the grant-supported work exceeds the standard of reasonableness, then such “pre-award costs” cannot be claimed to be either directly related or necessary to achieve the work that is to be performed prospectively with the grant funds being awarded. NPS customarily allows costs contributed or incurred up to one year preceding the award of the grant as being reasonable and allowable pre-award costs.

Another tenet governing the permissibility of non-federal share contributions is that they must be of such a nature that, if the Federal share had been used to pay for the contributed cost, the grantee would have incurred an allowable cost. Another way of stating this principle is that in-kind contributions are eligible only to the extent that they represent actual necessary costs to which Federal grant funds could be applied. This means, for example, that fundraising costs are listed in the OMB Circulars as an unallowable cost that cannot be charged to the grant—accordingly, fundraising costs are not allowable contributions for meeting the required nonfederal matching share either. A second example would be the costs of acquiring a property could not be claimed as non-federal matching share for a Save America's Treasures grant to repair the roof of that property - given that acquisition is not an eligible activity for Save America's Treasures grant, and given that the acquisition is not a necessary component of the repair work and does not reduce or share in the cost borne by the Federal grant to repair the historic property.

The following requirements for eligible nonfederal matching share contributions are drawn from the OMB Circulars on grants and from Chapter 14 of *The Historic Preservation Fund Grants Manual*:

- A. All contributions, including cash and third party in-kind (non-cash) donations, shall be accepted as part of the recipient's cost sharing or matching when the contributions meet all of the following criteria:
1. Are verifiable from the recipient's records (e.g., timesheets to track how much time an employee spends on the Save America's Treasures grant-assisted project);
 2. Are not included as contributions for any other Federally assisted project or program (i.e., the same item cannot be used to match two different Federally assisted projects or programs);
 3. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives;
 4. Directly benefit and are specifically identifiable to the project receiving Federal assistance from the Save America's Treasures program;
 5. Are not paid by the Federal Government under another award (i.e., Federal funds or Federally supported costs cannot be used as matching share); and
 6. The basis for determining the valuation for donated personal services, materials, equipment, and space must be documented.
- B. Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the type of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
- C. When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.
- D. Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees' time and attendance records.
- E. Donated supplies may include such items as office supplies, laboratory supplies, or construction materials such as bricks and lumber, needed to perform the grant-assisted work. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the supplies at the time of the donation.
- F. The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.
- G. The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.
- H. The value of loaned equipment shall not exceed its fair rental value.